

Jew Versus Non-Jew in New York Finance

The Struggle for Jewish Supremacy in the American Financial World; The Silent Resistance of the Gentile Coalition in Wall St.

THE Jewish problem in the United States is essentially a city problem. It is characteristic of the Jew to gather in numbers, not where land is open nor where raw materials are found, but where the greatest number of people abide. This is a noteworthy fact when considered alongside the Jews' claim that the Gentiles have ostracized them; the Jews congregate in their greatest numbers in those places and among those people where they complain they are least wanted. The explanation most frequently given is this: the genius of the Jew is to live off people; not off land, nor off the production of commodities from raw material, but off people. Let other people till the soil; the Jew, if he can, will live off the tiller. Let other people toil at trades and manufacture; the Jew will exploit the fruits of their work. That is his peculiar genius. If this genius be described as parasitic, the term would seem to be justified by a certain fitness.

In no other city of the United States can the Jewish Problem be studied with greater profit than in the city of New York. There are more Jews in New York than in all Palestine. The communal register of the Jewish Kehillah (or Kahal) of New York sets the population at about 1,527,778. "The next largest Jewish community in the world, that of the city of Warsaw, is estimated to have been between 300,000 and 330,000 Jews, about one-fifth as many as we estimate for New York." (Communal Register, 1917-1918.) "If we accept the estimate of the number of Jews in the world as about 14,000,000, one Jew out of every ten resides in New York."

As a population, the Jews exert more power in New York than they have ever exerted during the Christian Era in any place, with the exception of the present Russia. The Jewish Revolution in Russia was manned from New York. The present Jewish government of Russia was transported almost as a unit from the Lower East Side of New York. The New York Ghetto has long since overflowed the lower East Side. Brownsville, Brooklyn, is a Jewish town, with its own language, theaters and press. The upper East Side of New York is practically in large sections a Jewish ghetto. The prosperous West Side and the middle class section of the city north of Central Park are practically Jewish.

The Center of American Jewry

WITH the exception of one great department store and a few lesser ones, all the large department stores in New York are Jewish. Men and women's ready-to-wear apparel, laundries, furriers, the general run of shopkeeping is practically monopolized by Jews. The legal profession is predominantly Jewish. It is estimated that of the 27,000 news stands that control the distribution of New York's reading matter, 25,000 are in the hands of Jews. There are 360 synagogues on the East Side of New York alone.

The New York Kehillah is a very powerful organization, whose membership strength is not accurately known. It may be described as the Jewish government of that city. It was organized in 1908 as the result of a statement by General Bingham, then police commissioner of New York, that the Jewish population, which then amounted to 600,000, contributed 50 per cent of the criminals of the city. The Kehillah is the bar before which the authorities must answer for statements or acts touching the Jewish community. Its power is very great and its methods far reaching.

Politically, while the rest of the country is entertained with the fiction that Tammany Hall rules the politics of New York, the fact is rarely published that the Jews rule Tammany.

But it is not the possession of power that constitutes an indictment of any people; it is their use or misuse of it. And if the fact of power is established, no misuse of it being found, the fact has a commendatory side. If the Jews who flock to New York become American, and if they do not work ceaselessly to twist Americanism into something else; if they strengthen the principles and traditions of America, and do not cease to vitiate the one and abolish the other, the judgment upon them must be one of friendship.

However, to establish the fact of Jewish power, one need not remain in the ghetto nor in the mercantile districts. There are higher fields awaiting survey.

In Wall Street, the Jewish element is both numerous and powerful, as might be expected of a race which from early days has played an important part in the financial operations of the world.

This is not to say, however, that Jewish influence in American financial affairs is paramount. At one time it threatened to be, but American financiers have always been silently aware of the International Jewish Financier, and have endeavored quietly to block his

game. Time and again the contest has seemed to turn in favor of the Jew, but when the widespread secret wrappings of the two powers have been suspended for a moment, it has been found that American finance has maintained its superiority, if only in a slight degree. The Rothschilds were the first to be beaten on American soil; the story of their hidden hand in American finance, politics and diplomacy is a voluminous one; but even their finesse did not avail against the sterling worth of American Business—not "American business" as it has come to be known now that thousands of Jews are scattered about the world, representing themselves to be "American business men" although they can scarcely speak English!—but American Business as represented by the combination of American ability and American conscience. If the reputation of American business has suffered, it is because something other than American methods have been used under the American name.

Character of American Finance

IN THE New York financial district, Jewish finance makes itself felt through its private banking institutions. As distinct from the great trust companies and banks of deposit, the private banker utilizes his own capital and that of his partners and associates.

Jewish finance differs radically from non-Jewish finance in the fact that Jewish bankers are essentially money-lenders. They may underwrite great flotations of bond and stock issues for railroad and industrial companies, governments and municipalities, but these securities are immediately sold to the public. There is a quick money turnover. The public carries the bonds; the Jewish financier gets his money. The Jewish banker himself rarely has a permanent interest in the corporations he finances. Non-Jewish bankers usually feel obligated to retain a connection with the enterprises they have financed, in order to assure the investors a proper administration of funds; they feel obligated to contribute to the success of the investments which they handle for other people.

The Jewish banker keeps his capital liquid. The cash is always in his coffers. This is essential to his position as one who deals in money. And when the inevitable day of financial stress arrives, he profits greatly by the higher value then placed on liquid capital.

Far and away the leading Jewish banking house in Wall Street is that of Kuhn, Loeb & Company. The head of this great firm was the late Jacob Schiff, whose associates were his son Mortimer, Otto H. Kahn, Paul M. Warburg, and others, who have taken prominent parts both in public life and giant financial operations. Other private Jewish banking houses may be named as follows: Speyer & Company, J. and W. Seligman & Company, Lazard Freres, Ladenburg, Thalmann & Company, Hallgarten & Company, Knauth, Nachod & Kuhne, Goldman, Sachs & Company, as well as others of relatively less prominence. These firms enjoy a high reputation for financial integrity. They are cautious bankers, skillful in their operations, and sometimes brilliant in their financial strategy.

There is much control of industry, from the financial side, represented by Jewish power in Wall Street, and they have gained a monopoly of many metal markets. Large, prosperous Jewish brokerage houses are on every hand. The further one goes down the line of speculative operations, the more of the Jewish race one finds to be active in the work of company promotions and the marketing of oil and mining stocks.

No Jewish Bank President in Wall St.

YET one amazing fact stands out from the mass: there is not, at this writing, a Jewish bank president on Wall Street; that is, a president of a bank of public deposit. Of all the great banks of public deposit and corporation finance, the enormous trust companies whose individual resources often run up to \$400,000,000 and whose combined resources approximate many billions, not one of them has Jewish management or Jewish officers.

Why is this so? Why have the powerful banking families of Wall Street surrounded themselves so carefully with non-Jewish associates? Why has this great dividing line been drawn between members of the Jewish and non-Jewish races in the financial district that manages the financial resources of the nation?

Why? The answer to the question is in the custody of the stronger and sounder financial heads of Wall Street.

Only here and there will one discover a Jewish director in the boards of some of the lesser banking institutions.

The situation may be due merely to a shrewd analysis of the public mind. Rightly or wrongly the

public prefers not to confide its money to an institution under Jewish control. It is true that in certain uptown sections of New York there are a few banks of a local character which are completely under Jewish management. But even the Jews prefer to deposit their money in banks which are free of Jewish control.

The situation may also be the effect of the unfortunate experience which the public has had with Jewish management of banks in the past. Several large failures have served to impress upon the public mind a certain peculiarity which attached to the Jewish element in those failures. The public has not forgotten, among others, the failure of Joseph G. Robin, whose real name was Robonovitch. He was an Odessa Jew. In an incredibly short space of time he built up four large banking institutions in which public money was deposited. He wrecked them all. His failure was most sensational and caused untold suffering. Robonovitch's career illustrated very vividly the extent of the gifts and energies of the Jew from Russia, his wonderful faculty for building up large concerns through chicanery, and his cowardice and duplicity in the hour of defeat. This banking career ended in a felon's cell.

However, one fact of importance, a fact that should be reassuring to the general public, is that the men to whom is entrusted the crucial task of putting to work and keeping at work the financial resources of the United States have hedged themselves about with a non-Jewish wall of great strength and long standing.

Jews Fight for Power on Exchange

THE effort of Jewish interests to gain control of the Stock Exchange is also an interesting story, and although the record shows a steady Jewish gain toward the end they desire, it is slow; but there are indications that the relentless persistence for which the Jew is noted, will prevail in the end—that is, if stock gambling continues to prove an alluring source of wealth.

When the Jews gain control of the Stock Exchange they will, for the first time, possess the power to wrest public banking control from the non-Jewish group.

There is a silent resistance to Jews on the Stock Exchange also, in virtue of an unwritten law, just as there is in the banking world of Wall Street, and the story of the counter-resistance calls for an historian.

It is related by Sereno S. Pratt that in 1792 there was a little office at No. 22 Wall Street for the public sale of stocks. A number of men, engaged in the business of buying and selling, were accustomed to meet near a large buttonwood tree which stood near 68 Wall Street. In 1817, the New York Stock Exchange, about as present constituted, was organized.

The Stock Exchange is a private institution. It is practically a commission club in private hands. It is not incorporated.

Its membership is strictly limited to 1,100 men.

There are only two ways by which an outsider can become owner of a seat on the Exchange—by obtaining it from the executor of a deceased member, or by purchasing from a retiring or bankrupt member.

These memberships or seats cost at present more than \$100,000. About ten years ago a seat could be bought for \$77,000.

The Stock Exchange is ruled by a Governing Committee of 40 members. For many years no Jew was elected to this Committee. Of recent years, an occasional Jewish broker has succeeded in being admitted to this upper group, but not often. This position, however, has not been the main objective of Jewish traders. When they secure a sufficient number of seats on the Exchange, they will take care of the matter of control in their own well-known way.

The two barriers which at present operate to prevent a large inroad of Jews are these: first, a silent resistance on the part of the other members against the admission of Jews, a resistance which is said to date from the earliest formation of this famous trading institution. And, second, the restrictions which are placed by the constitution of the Stock Exchange itself on all applications for membership.

The Governing Committee of 40 has a Committee on Admissions which comprises 15 members and which considers all applications for membership. As the membership is fixed at 1,100 and as no new seats are ever sold, a new member can gain entrance only through the transfer of an existing seat. But even such a transfer is under the strict control of the Committee on Admissions, to whose scrutiny the name of the applicant must be submitted, and whose two-thirds approval is necessary to his being seated.

But one outstanding characteristic of the Jewish race is its persistence. What it cannot attain this generation, it will attain next. Defeat it today, it does not remain defeated; its conquerors die, but Jewry goes on, never forgiving, never forgetting, never deviating